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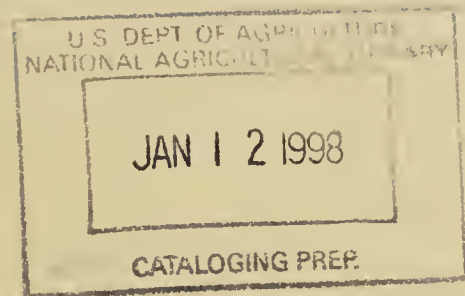
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REPORT OF THE
SPECIAL TASK FORCE
ON
REORGANIZATION OF THE
CONSUMER PROTECTION PROGRAMS

by

Alfred Barnard and Philip J. May

August 25, 1970

October 6, 1970

Dr. Clayton Yeutter
Administrator, C&MS
U. S. Department of Agriculture

Dear Clayton:

I agree wholeheartedly with you and with Dr. Kenneth McEnroe that the report on C&MS Consumer Protection programs prepared by Phil May and Al Barnard should be made public at this time.

There are many suggestions in the report, far too many for me to comment on now. I do, however, consider this an excellent study, full of thoughtful and significant recommendations.

There are a couple of points which should be made clear at the time we release the report:

1. We have given thorough consideration to proposals to separate meat and poultry inspection. We have decided that this is not advisable. In this we agree with the recommendation of the May study.
2. The report suggests that consideration be given to establishment of a totally separate agency for meat and poultry inspection. We have considered this. It is our intention to continue meat and poultry inspection within C&MS.

I would like to get together with you very soon to discuss possible implementation of the recommendations. In the meantime we should encourage those who are interested in the report to study it and to make comments if they wish.

Sincerely,

Richard Lyng
Assistant Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE
CONSUMER AND MARKETING SERVICE
WASHINGTON, D.C. 20250

August 25, 1970

Mr. Richard E. Lyng
Assistant Secretary
Marketing & Consumer
Services

Dear Mr. Lyng:

Transmitted herewith is our report covering the study of the organization of the Consumer Protection Programs and recommendations for changes which we believe will provide for a more efficient and effective service.

In making the study, we listened to the views of all of the administrative officers and many of the staff officers in Washington. We visited with all of the Regional Directors, a number of plant veterinarians, food inspectors and plant managers as well as over 10 percent of the circuit officers. Officers of the National Joint Council of Food Inspection Locals and the National Association of Federal Veterinarians also made presentations to us. A number of meetings were held with meat and poultry industry representatives to insure consideration of all aspects of the meat and poultry inspection program.

It was very difficult to confine our administrative study to strictly organizational matters because often administrative practices or policies affected the inspection program as much as the organization. For this reason, in our Summary of Findings and Recommendations, we identified those recommendations which were purely organizational in nature and those which pertain to management and personnel practices.

The study was started without any bias or preconceived ideas as to how the program could best be organized. We believe the report contains recommendations for an organization which can improve the administration of the inspection program and the morale of the staff.

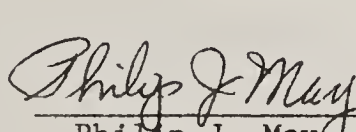
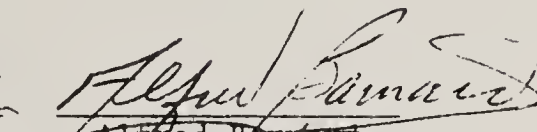
We wish to acknowledge the complete cooperation and help of all officials and staff in the Consumer and Marketing Service. Also the staff assistance of Mr. George E. Bickerton has been most helpful.

Mr. Richard E. Lyng

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After you have had an opportunity to study the report, we will be pleased to meet with you to discuss or explain the reasons for our recommendations.

Sincerely,


Philip J. May

~~Alfred Barnard~~
Task Force Study Committee

Enclosure

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SUMMARY
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FINDINGS AND RECOMMENDATIONS

In this part of its report, the Task Force has identified principal findings and recommendations under the headings of Organization, Management and Personnel. A more detailed discussion of major recommendations can be found in the main report or appendices.

Organization

1. Found: The Administrator of the Consumer and Marketing Service is responsible for a marketing and a consumer protection regulatory program. There is an inherent difference in the nature of marketing and regulatory programs which creates an internal administrative conflict. Further, Consumer Protection is so large and has such complex problems that it needs a full-time Administrator.

Recommend: That a new Food Inspection Service be established at the earliest practicable date.

It should be noted, however, that the organization recommended can function as a program of C&MS

without changing the organization structure. Only the titles of the Washington level divisions and staff would be affected.

There would be one advantage of initially keeping Consumer Protection in C&MS in that new logistic support would not have to be developed at this time by the Deputy for Administrative Services.

2. Found: That both the meat and poultry industries have experienced great difficulty in obtaining responses from the Agency and have been critical of this lack of responsiveness.

Recommend: Two new liaison positions in the Administrator's office to improve communications and expedite handling of industry problems. Other recommended changes in organization should also make the service more responsive to industry needs.

3. Found: That the Slaughter Inspection Division, Processed Food Inspection Division and Technical Services Division are responsible for interrelated program matters and that subject matter decisions are not being completely coordinated.

Recommend: That the three divisions be combined into a single Division of Policy and Regulation responsible to a Deputy for Policy and Service. The new Division should be involved primarily in policy development and preparation of regulations.

4. Found: That the inspection and review staffs of the Slaughter Inspection Division and Processed Food Inspection Division are concerned primarily with Division programs.

Recommend: That the inspection and review function be transferred to the Director of Compliance and Evaluation who is responsible to the Administrator. This change should broaden the scope of responsibility for Washington review teams and give better intelligence to the Administrator on the effectiveness of the inspection service. The compliance function has been well handled and no change is recommended for that phase of the work at this time.

5. Found: That the development of standards and the approval of formulas, labels and packaging is separated from the development of control procedures.

Recommend: That the label, standards and packaging responsibilities be combined with the control function and other Processed Food Inspection functions in the Division for Policy and Regulation.

6. Found: That every level of responsibility has been conscious of and concerned with sanitation problems but no one has been assigned continuous responsibility.

Recommend: That a Division of Sanitation and Plant Facilities be established to develop policy and handle plant and equipment approvals.

That a sanitation officer position be established in the Deputy for Field Operations office in Washington and in each of the regional offices.

This should achieve better coordination between sanitation regulations and the approval of new plants and equipment. The sanitation officers will provide continuous and uniform attention to sanitation problems.

7. Found: That there has been no one official designated to handle safety problems.

Recommend: That the Sanitation Officer at both the Washington and regional levels be given the added responsibility of handling safety problems.

8. Found: That every division issues regulations, directives and instructions without adequate coordination.

Recommend: That the position of Issuance Coordinator be established in the office of the Deputy for Policy and Service.

9. Found: That no staff member is continuously monitoring reports required from the field and staff divisions.

Recommend: That the position of Reports Control Officer be established to monitor and require justification for all recurring reports.

10. Found: That Consumer Protection laboratories are adequate to the needs of the inspection service and have been providing satisfactory service.

Recommend: That the Division of Laboratories be transferred to the Deputy for Policy and Service from the Technical Services Division.

11. Found: That basic technical training programs have been well handled but that little advanced management and supervisory training have been offered.

Recommend: That the training function be moved from the Program Services Staff to the Division of Training under the Deputy for Policy and Service and that advanced management programs and supervisory training be provided for all levels of management. Such advanced training should be a part of any career development program.

12. Found: That the Deputy for Consumer Protection, Director of the Slaughter Inspection Division, Director of the Processed Food Inspection Division and the Director of the Technical Services Division all have had administrative-line authority over regional offices and field staff.

Recommend: That a Deputy for Field Operations position and staff be established at the Washington level to administer and direct the inspection program through eight regional offices.

That all directives, program guidance and operating instructions to the regional offices be from this office.

13. Found: That there is little if any coordination between foreign country plant reviews and the results of the inspection of products arriving in this country.

Recommend: That the plant review function be placed under the Deputy for Field Operations and that inspection of imported products continue to be handled on a sampling basis under the direction of the officer in charge of a circuit. Thus plant review and inspection of product can be better coordinated.

14. Found: That operating instructions to field offices are being issued from a number of sources.

That often the directives are not clear or conflict with instructions from another office.

Recommend: That a position be established in the office of the Deputy for Field Operations to handle issuance of all field instructions.

15. Found: That the regional offices are organized on the same functional basis as Washington level offices and that the same multiple lines of authority and control extend from regional offices to the circuits and plants.

Recommend: That the regional offices be organized along the same lines as those being proposed for the Washington level.

That there be expertise in poultry, meat, processing, sanitation so that most questions and problems can be handled at the regional level.

That the position of Deputy for Operations be established in the regional offices in lieu of the Associate Director's position. This position will exercise direct-line authority over the officers in charge of circuits. He will assist the OIC's in every way possible and will use the regional office staff as needed to insure an effective inspection program.

16. Found: That some Federal-State Agreements require Federal OIC's to report to a Federal-State program director.

Recommend: That Agreements not require Federal OIC's to report to a program director who will be responsible to a regional director and a State official. We believe this will create an additional and ineffective level of supervision

by an official who will have a full-time job supervising State inspected plants.

17. Found: That there is no clearly designated staff for annual review of State plants and that some reviews have been made by the FESCO's.

Recommend: That periodic annual reviews be conducted at the regional level by Federal OIC's or regional office staff.

18. Found: That often circuits are divided into sub-circuits on a geographical basis.

Recommend: That circuits not be divided into sub-circuits and that whenever the workload warrants, assistants be assigned to the circuit officer.

That where feasible assistants have varied expertise to fit the needs of the circuit and that plants be supervised by staff with the type of training and experience required for an effective program.

19. Found: That circuit officers and plant inspectors in charge spend too much time on paperwork.

Recommend: That a study be made to determine if part of the paper load can be eliminated and other parts

transferred to the regional offices. The aim of course is to release time for actual inspection problems.

20. Found: That in certain plant operating configurations there is no single person responsible for Federal inspection.

Recommend: That one Federal employee be given total plant responsibility. This will be of benefit to both the OIC and plant management.

21. Found: That grading services for both meat and poultry are separated from inspection and handled through Marketing Services in C&MS as a service to industry. (See Appendix G for further details.)

Recommend: That because of the difference in philosophy between grading as a marketing or service function and inspection as a regulatory function, there be no attempt to combine grading with inspection.

22. Found: That uniformity of inspection has been a subject of concern to the Consumer Protection staff as well as to industry.

That uniformity of inspection is difficult to achieve because of the many subjective decisions which must be made in the inspection process.

That Consumer Protection has taken many actions to improve uniformity.

Recommend: That uniformity of inspection can be improved by better supervision and training, by strengthening the regional office staff and by careful coordination of all rules and directives.

Management

1. Found: The June 1968 merger of meat and poultry inspection has not been easy and much remains to be done.

Recommend: That the staffs at all levels be informed that there are no plans or consideration being given to demerging meat and poultry inspection.

That from this point forward an all-out effort should be made to complete the merger and to reconcile any differences between meat and poultry rules which are not dictated by the product. Organizational changes which have been recommended are designed to achieve a unified program and at the same time recognize legitimate differences between meat and poultry and the need for expertise in both product lines.

2. Found: That there has been a poor balance between meat and poultry in the assignment of staff to administrative positions.

That often there has been poor utilization of staff with poultry backgrounds.

That often staff with meat backgrounds work on poultry problems and staff with poultry backgrounds are assigned responsibility over meat areas.

Recommend: That there be a recognition of the need for staff with meat, poultry and processing expertise at both the Washington and regional office levels.

That care be used in the selection of staff with appropriate qualifications for each position.

3. Found: That management rights which are listed in Section 1.6 of the collective bargaining agreement have not been utilized to effectively control and manage the inspection program.

That in some plants management has lost control of its personnel because the authority to handle personnel matters has not been delegated to the field by C&MS.

Recommend: That the Administrator delegate to the Regional Directors authority to employ, assign and if necessary, discipline or discharge employees up through grade GS-13. (See Appendix H)

4. Found: That the labor relations staff were from the food inspector ranks and have strong union backgrounds. Because of their backgrounds, the labor relations staff are suspect in the eyes of veterinarians who hold management and supervisory positions.

Recommend: That an expert in labor-management relations from outside of Agriculture be employed. The man should have no bias for food inspectors or veterinarians and should be management's representative in dealing with union representatives.

That labor-management relations be given more attention and allotted more time on the agenda at meetings of the Regional Directors.

That management develop a better understanding of labor problems and how to deal with them.

5. Found: That the Personnel Division of C&MS controls the deployment of manpower resources in the regions.

Recommend: That subject to personnel ceilings and budgets, utilization of manpower should be made the responsibility of the Deputy for Field Operations who in turn will make allocations to the regional offices and be responsible for field assignments.

6. Found: That there is a widespread feeling that the C&MS Personnel Division is not oriented to Consumer Protection program needs or the important role of veterinarians in the program even though Personnel can show a very material upgrading of veterinary positions.

Recommend: That the Personnel Division should make a greater effort to explain to the administrative staff of Consumer Protection and the Regional Directors why certain actions are taken and what the problems of classification are.

7. Found: That implementation had been suspended of the so-called 9-12 concept which was designed for better utilization of veterinary manpower and to upgrade some positions for both veterinarians and food inspectors.

Recommend: That differences over classification between program staff and the Personnel Division be laid aside and the plan given a trial.

That the Personnel Division use its best efforts to obtain Civil Service approval for the use of a GS-12 supervisor over three GS-9 food inspectors.

8. Found: That overtime has become a serious problem to both management and industry.

That part of the overtime problem will require action by Congress.

Recommend: That suggestion for control of overtime as outlined in Appendix I be followed and that Congress be requested to assume the cost of overtime resulting from multiple shift operations.

9. Found: That formal rule-making procedures are not being utilized to implement what industry regards as major changes.

Recommend: That more attention be given to communication with industry during development of policy changes and that greater use be made of the rule-making procedure when policy is finally established.

10. Found: That no final regulation has been issued for the Federal Meat Inspection Act passed in December 1967 or the Poultry Products Inspection Act passed in August 1968.

Recommend: That responsibility be assigned to one man with sufficient staff including legal counsel to get regulations published at the earliest practicable date.

That during development of the regulations, industry views be considered prior to publishing in the Federal Register.

Personnel

1. Found: That there are strained relations between food inspectors and veterinarians in many areas.

That in some plants the veterinarian in charge has lost control of the inspector.

Recommend: That better selection and training will improve supervision and control of inspection.

That first-line supervisors in the plants must be in control of the plant inspection staff.

That circuit supervisors and regional offices must give strong support and program backing.

2. Found: That Consumer Protection has a very inbred staff. (See Appendix H)

That there are basically two types of employees -- food inspectors and veterinarians.

That the two types of employees try to claim all positions for promotion from the slaughter operations.

That the two groups resist any effort to bring qualified personnel into service who have not started as a basic food inspector or a veterinarian.

Recommend: That the Administrator announce that all technical and administrative positions will be filled by the best qualified applicant and that it will not be necessary to start at the basic food inspector level or to be a veterinarian.

3. Found: That there is no established career ladder for either veterinarians or food inspectors.

Recommend: That the presently proposed veterinary career ladder be approved in so far as Civil Service rules permit and that the Personnel Division develop a career ladder for food inspectors subject to recommendation 2 above.

4. Found: That there was unanimous objection at all operating levels to FICAP and VETCAP rating forms.

That a great deal of time was consumed by supervisors in filling out the forms and that they had serious question about the validity of the ratings.

Recommend: That the Personnel Division review and evaluate the forms with a view of simplification or elimination of the forms.

REPORT OF THE SPECIAL TASK FORCE
ON
REORGANIZATION OF THE CONSUMER PROTECTION PROGRAMS

Federal meat and poultry inspection is administered through the Consumer Protection Programs of the Consumer and Marketing Service. It is a complex organization with over 7,600 full-time and 750 part-time employees as of June 30, 1970. Included in the full-time staff are approximately 1,300 veterinarians who supervise all slaughter operations and who hold most of the administrative positions in the inspection program.

By law, the Secretary of Agriculture is required to inspect all meat and poultry products capable of use as human food which move in interstate commerce. On June 30, 1970, inspection service was being provided to some 3,735 meat and poultry plants. These figures include 2,657 plants which slaughter or process only meat, 581 plants which slaughter or process only poultry and 497 plants which slaughter and process both meat and poultry.

The Consumer Protection Programs are administered by a Washington headquarters staff which develops policy and directs the program through eight regional offices located across the country.

Consumer Protection has faced many organizational problems:

- beginning with the transfer of meat inspection from the Agricultural Research Service in January 1965,
- the passage of the Wholesome Meat Act in 1967 and the Wholesome Poultry Products Act in 1968,
- the transfer of poultry inspection from Marketing Services to Consumer Protection,
- and finally the merger of the meat and poultry inspection programs in June 1968.

In implementing the merger of meat and poultry inspection, the Consumer Protection Programs established five divisions:

1. Slaughter Inspection Division
2. Processed Food Inspection Division
3. Technical Services Division
4. Program Services Staff
5. Compliance and Evaluation Staff

It also closed five area poultry field offices and transferred the poultry activities to eight regional offices, seven of which had been in existence for meat inspection. New combined meat and poultry circuits were established in all of the regions.

The eight regional offices were organized and staffed along the functional lines of the Washington divisions for slaughter and processed foods. The field offices were serviced for some of their programs by Technical Services Division and Program Services Staff. The Compliance and Evaluation Staff was to have the overall review function. However, in actual practice it has not carried out the evaluation of plant inspection function except in special cases.

Perhaps not enough attention was given to the establishment of clear lines of authority or perhaps other factors influenced the development of the organizational charts approved August 9, 1968, which gave to each of the Washington division directors administrative authority over that part of the inspection service assigned to his division. For example, the Slaughter Inspection Division was to administer ante-mortem and post-mortem inspection programs; the Processed Food Inspection Division was to administer programs for the inspection of processed meat, etc.

The assignment of administrative responsibility to the Washington divisions created three "bosses" for the directors of the eight regional offices. Since the Deputy Administrator for Consumer Protection also had administrative authority, the field service had four bosses. That actually is the situation that exists today. Even though the Regional Directors recognize the Deputy Administrator for Consumer Protection as the head of the

program, they still receive and act on instructions from the division directors. The problem has been further complicated by the lack of coordination in the Washington divisions.

Members of the Task Force met with all of the Regional Directors and visited four of the regions. From these visits it was apparent that lack of clear lines of authority and direction was hampering the administrative process.

During the course of our study, we talked to over 10 percent of the officers in charge of circuits and learned that they too had trouble with administrative lines of control. Often we heard the comment that they were overburdened with reports and special programs from Washington and had insufficient time for supervision of in-plant inspection programs. Often interpretations of directives had to come from Washington because the original directives were unclear or in conflict with other directives.

At the plant level the Task Force found another kind of lack of authority and responsibility. The plant veterinarians, particularly in the Atlanta region, reported a lack of authority to control the food inspectors. This is more a breakdown of the system than a weakness in organizational structure itself, and is directly related to the lack of authority to reprimand or discipline employees who fail to follow instructions. This lack of authority is recognized by industry which urges that control of the inspection service be returned to the plant veterinarians.

Another kind of lack of authority and responsibility exists in combination slaughter and processing plants. In these plants the veterinarian is in charge of the slaughter operation and one or more food inspectors may be in charge of processing. Both the Regional Directors and the plant management believe that one Government official should be in charge of the total inspection service in the plant.

Another problem has developed in some processing plants where more than one food inspector is stationed. In this situation plant management may have five food inspectors with equal rank and no one in charge since all report to a sub-circuit supervisor or officer in charge of a circuit.

The Task Force, after listening to many members of the Consumer Protection staff and industry representatives, has developed an organization structure which places responsibility and authority at each level of administration. It establishes direct lines of authority and provides administrators with staff divisions to develop policy and provide expert advice.

We believe that the inspection service, with its many problems of organization, staffing, merger and the responsibility to develop with the States an inspection system for intra-state plants "equal to" the Federal inspection service, needs the leadership of an Administrator who can devote full time to the inspection function. Therefore, we are recommending that a new agency be established and the Consumer Protection Programs be moved from the Consumer and Marketing Service.

If the decision is made to keep Consumer Protection in the Consumer and Marketing Service, it will not change our recommendation regarding the reorganization of the Washington staff divisions and the regional offices or the lines of authority and responsibility, at any level.

Heading the new agency will be the Administrator. On his staff will be an Associate Administrator who will coordinate the work of three Deputies, who in turn will be responsible for clearly defined areas of the inspection program. Provision has also been made for two industry liaison representatives on the Administrator's staff. We view these liaison staff positions as critical in the reestablishment of effective industry-consumer protection program relations. They provide desks where industry can take problems and expect to receive timely consideration. The liaison representatives will also serve as communication channels through which industry input can be obtained for consideration by program people in the decision-making role. In addition they can communicate to industry an understanding of the positions taken by the service and the basic reasons for decisions made.

The Compliance and Evaluation Staff has been attached to the Administrator's office to give him an independent evaluation of the effectiveness of the inspection service. We are recommending that the review functions (see Appendix A) now assigned to the Slaughter and Processed Food Inspection Divisions be transferred to the Compliance and Evaluation Staff. It may be that at some later time consideration should be given to transferring the compliance function to the field. (See Appendix B)

The Associate Administrator will act for the Administrator in his absence and will have responsibility for coordinating

the activities of the three Deputies listed below:

Deputy for Policy and Services

Deputy for Field Operations

Deputy for Administration

The Deputy for Policy and Services will have administrative responsibility over four new divisions. These new divisions will operate in a staff or service capacity and will exercise no direct line or administrative authority over the inspection process. The divisions replace the Slaughter Inspection Division, Processed Food Inspection Division, and Technical Services Division in the present organization.

A special position of Issuance Coordinator has been placed in the office of the Deputy for Policy and Services. It will be the responsibility of this desk to determine that all interested divisions have reviewed and cleared all rules or directives of every nature before they are released for issuance. Among its other responsibilities, this desk will be required to see that there are no conflicting directives on the same subject.

The Division of Policy and Services will have all of the significant functions of the present Slaughter Inspection Division and Processed Food Inspection Division except the review function which will be transferred to the Compliance and Evaluation Staff. In addition to the slaughter and processing responsibilities, we are proposing that the labels, standards and packaging responsibilities formerly assigned to the

Technical Services Division be assigned to this Division. Our basic reason for this new division is to obtain better coordination and treatment of subjects which are closely related. We believe there needs to be more coordination between slaughter and processing and between meat and poultry than exists today. Further, we believe that the approval of labels, standards and packaging should be more closely coordinated with other activities involving processed food inspection. The matter of labels, standards and packaging and recommendations for handling is covered in detail in Appendix C.

As we view this Division, its principal role will be in the development of policy and drafting of proposed rules. It will work closely with industry and will furnish expert staff service to the Administrator and the Deputy for Field Operations. The major change in its role will be that it will no longer have partial administrative authority over the inspection service and will not have the review function.

The Task Force organization study has not attempted to determine the number or Civil Service grade classification of staff required or their exact duties. However, we believe that the Division of Policy and Services will need staff expertise for areas including but not necessarily limited to:

1. Ante- and post-mortem inspection - Meat
2. Disease and disposition - Meat
3. Ante- and post-mortem inspection - Poultry

4. Disease and disposition - Poultry
5. Moisture control
6. Residues
7. Humane slaughter
8. Processed foods - several categories
9. New products
10. Standards
11. Labels
12. Reports control

The Reports Control desk is new and is intended as a continuing review of all types of recurring reports, including program, personnel, fiscal, etc. Every organization tends to have many reports prepared which have little or no use. Unless someone is responsible for approval of continuing reports and can require justification, it is easy for an organization to produce reports that have little value, are costly, have too wide distribution and contribute little to the effectiveness of the program.

A Division of Sanitation and Plant Facilities is recommended to insure that adequate standards of sanitation are established for uniform application by the inspection service. This Division will work closely with the Division of Policy and Regulations and will be responsible for development of rules and regulations governing sanitation. The Division will also provide staff advice to the Administrator and the Deputy for Operations.

At the present time, Technical Services Division handles final approval of blueprints for new plants or renovation or changes in existing plants. It also gives final approval for equipment. Under the new organization this function will be handled in the Division of Sanitation. The principal reason for reviewing plant and equipment design is to insure the maintenance of sanitary conditions. Therefore, we believe that this Division should be the reviewing agency. We considered placing the review function in the Regional Offices, but concluded that the volume of work is not sufficient to warrant staffing in the eight field offices. The circuit office will continue to receive plans from industry and after preliminary review will forward them to the Division of Sanitation for final approval.

The Division of Training will be placed under the administrative control of the Deputy for Policy and Services. Consideration was given to placing this function under Personnel, but it is believed that the scientific nature of the course material warrants placing the training function under the Deputy responsible for development of policies and regulations.

A detailed review of the training program is contained in Appendix D. In this paper suggestions are made for further training programs which we believe are needed to strengthen the inspection service.

Laboratories have been managed by Technical Services Division which, under the proposed organization, will no longer exist. Therefore, we are recommending that a Division of Laboratories be established under the Deputy for Policy and Services. During the course of our review, we received favorable reports on the work of the laboratories and, therefore, made no detailed study of their organization and have no recommendations concerning their location or operation.

The Deputy for Field Operations is viewed as the chief line officer of the inspection service. We think that he should have on his staff knowledgeable people with ability to handle field problems and normal staff functions. Suggested staff desks are:

1. Meat Desk
2. Poultry Desk
3. Processed Food Desk
4. Sanitation Desk
5. FESCO Desk
6. Field Manuals Desk
7. Import Desk

The first four desks listed above will have counterparts in most of the Regional Offices and will handle field problems as they come from the Regional Offices. This office will generally work only with the Regional Offices and not with

individual plants or circuit officers who will be expected to report to the Deputy for Operations in the Regional Offices.

The desk of the FESCO will relate to their counterparts in the Regional or State Offices. We think that the responsibilities assigned to this desk should remain quite fluid until the pattern of State cooperation becomes better established. A separate report on the Federal-State programs is contained in Appendix E.

A Field Manual Desk has been suggested for the Deputy for Field Operations, as we believe this office should issue the instructions to the field staff. This desk will be particularly concerned with the meat inspection and poultry inspection manuals, or a combination of them if it is determined that one manual will better serve the needs of the service. All material prepared by this desk must receive clearance from the Issuance Coordinator in the office of the Deputy for Policy and Services.

The Task Force made a special study of the import program and a more detailed report is included in Appendix F. We believe that the import program could be strengthened if there were more coordination between the group which evaluates plants eligible to ship meat and poultry products to this country and the group which inspects the meat and poultry products when they arrive at a U. S. port. We, therefore, recommend that the staff assigned to foreign plant review be

placed in the office of the Deputy for Field Operations.

Actual inspection of meat arriving at U. S. ports will be done by the circuit offices on a sampling basis in accordance with procedures developed by the Division of Policy and Regulations. By using the inspection reports, the plant review teams will be able to evaluate the foreign countries' inspection service and to identify problem plants.

At the present time there is a staff officer engaged in inspection work in the District of Columbia who is assigned to the Processed Food Inspection Division. It is recommended that this work be placed under the Deputy for Field Operations and that the position be assigned to the Raleigh Regional Office.

Under the organization recommended by the Task Force, the Regional Offices will be responsible for the administration of the field inspection program. The Regional Director will be responsible for the consumer protection programs in his region. With this responsibility he should have control over all staff assigned to his region. For this reason we are recommending that the Administrator delegate to him authority to employ, promote, assign, discipline and, if necessary, discharge all personnel up through grade GS-13. The Directors also should retain all the power currently delegated including suspension or withdrawal of inspection when warranted.

We have suggested reorganization of the Regional Office staffs to equip them to deal with most inspection problems by providing for Deputies with expertise in meat, poultry, and processing. We have also recommended the addition of a sanitation officer to the staff of each Regional Office. Other specialists such as moisture controllers and post-mortem experts should be made available as needed.

In lieu of an Associate Director's position, we recommend a Deputy for Operations. This position would have charge of all circuit officers in the region and would be responsible to the Regional Director for the actual inspection program. He would manage the OIC's, control their workloads, recommend to the Director changes in personnel assignments plus such other personnel actions as needed, and generally be responsible for the inspection program.

All of the program personnel in the office would occupy staff positions and would assist and participate with the Deputy for Operations and the Regional Director in planning and guiding the inspection program. It is expected that the program staff would spend considerable time with the OIC's and plant inspection staff in the plants and would provide expert advice as needed. This should improve uniformity of inspection.

It will be noted that the program staff in the Regional Offices have counterparts in the Deputy for Field Operations office in Washington. It is expected that these officers will

use their counterparts for the flow of information and advice, but the line of command authority will be from the Deputy for Field Operations in Washington to the Regional Director, to the Deputy for Operations, to the Officer in Charge of a circuit, to the Inspector in Charge of the plant.

Section 8 of the Federal Meat Inspection Act reads,

"The Secretary shall cause to be made, by experts in sanitation or by other competent inspectors such inspection . . . as may be necessary to inform himself concerning the sanitary conditions and to prescribe the rules and regulations of sanitation under which such establishments shall be maintained . . ."

In the past it has been everyone's business to be concerned about good sanitation but without a designated position responsible for sanitation, some plants have been permitted to operate with insanitary conditions. We think that the sanitation positions at all levels might well be filled with sanitary engineers or public health sanitation officers.

By establishing a Division of Sanitation and plant facilities at the Washington level, we expect to achieve close coordination of sanitation regulations with plant and equipment approvals. By placing a sanitation officer in each Regional Office we have provided for continuous attention to the problems of sanitation. These regional sanitation officers will work closely with their counterpart in the office of the Deputy for Field Operation, Washington office. In the region they will be available and work for the Deputy for Operations with his circuit

officer and plant inspectors. They can handle problem plants and special sanitation cases. They will confer with industry on matters of sanitation and will advise the Regional Directors regarding industry complaints. We also view the sanitation officer as an important advisor to the Director in cases that involve closing a plant for sanitation reasons.

Because safe working conditions for the inspection staff often involve engineering considerations, we are recommending that plant safety responsibilities be assigned to the sanitation officer.

Each Regional Office now has an administrative officer and staff to handle personnel, fiscal and budget matters. We recommend that an effort be made to transfer some of the administrative work from the circuit offices to the regional administrative officer. The administrative officer will be much more involved in personnel matters if Regional Directors are given authority over personnel matters as recommended elsewhere in this report.

At the present time the inspection service is organized into approximately 119 circuits with some 165 subcircuits. These offices were established to give first-line supervision over plant inspection. It was expected that the officer in charge would spend approximately 80 percent of his time in the plants working with inspectors. In the course of our review we have met with

over 10 percent of the OIC's and have concluded that the circuit officers are not the effective field supervisors needed because:

1. They are burdened with paper work.

2. They are able to spend only about 20 percent of their time on program work.

3. They have not received sufficient training in management supervision and administrative responsibilities.

In Appendix D we make specific recommendations regarding additional training.

4. Selection of OIC's has been weak and when a mistake has been made the service has been saddled with a poor supervisor. Elsewhere in this report we have commented on the adverse effect on selection created by overtime and the effects of the failure to establish a career ladder for veterinarians.

We view circuit officers as the most important level of supervision where most of the inspection problems that cannot be handled at the plant should be solved. To insure more effective OIC's, we recommend that there be:

1. More care in the selection of personnel for the circuit positions.

2. Immediate management training followed by on-the-job training.

3. Careful evaluation on completion of training before assignment.

4. Stronger Regional Office support in personnel matters.

5. Elimination or transfer to Regional Office of part of paper workload.

6. Where feasible eliminate subcircuits and use assistant OIC's and assign workload in accordance with program expertise.

At the plant level the Task Force believes the inspection service needs to have one Governmental official in charge in order that (1) plant management may have a single individual with whom to deal on in-plant matters and (2) program management will have one individual to hold responsible for the operations of a specific plant. We are, therefore, recommending that:

1. In slaughter plants where there is a veterinarian in charge of the plant that he have full authority over all aspects of inspection.

2. In combination slaughter and processing plants with a veterinarian assigned full-time to the plant, that the veterinarian have full authority over the plant if he has received processing training.

3. In combination plants where the veterinarian has not received processing training, the OIC should evaluate the experience and abilities of the veterinarian and food inspectors and designate one of the men as in charge of the plant. It must be understood that if a food inspector is named that he

cannot substitute his judgment for the professional judgment of the veterinarian on veterinary medical matters.

4. In processing plants one of the food inspectors be designated to be in charge of the plant.

The Task Force did not attempt to make a detailed study of the administrative and program support functions handled by the Consumer Protection Programs Services Staff. If a new Consumer Protection agency is established as recommended, the Deputy for Administration would be responsible for the usual budget, finance, personnel and related administrative support functions. More study as to divisional structure should be made before this part of the organization is finally approved.

This report with accompanying appendices often seems to refer to administrative matters rather than to purely organizational structure. The Task Force believes that it is impossible to separate administration from organization. Our efforts have been directed toward developing an organization in which administration can manage and direct an effective meat and poultry inspection program.

THE REVIEW FUNCTION FOREIGN AND DOMESTIC

A. Background

At the time the meat and poultry inspection services were merged approximately two years ago, there were established, among other organizational units, three divisions having (or which took on) review activities. In the case of the Slaughter Inspection Division and the Processed Food Inspection Division, these review activities are regarded as an essential part of the discharge of the two divisions' responsibilities to administer their respective programs in the field. These reviews are so structured as to be directed primarily to determining the adequacy and completeness of procedures designed, developed and installed by the respective divisions. Evaluation of total program effectiveness, individual plant conditions, Regional Office of OIC performance, and related matters are regarded as secondary.

The review function established in the Technical Services Division was designed to carry out the Division's responsibility with respect to the operation of foreign government meat inspection systems and the plants operating under the jurisdiction of such systems. The program was so structured as to provide for an evaluation of the foreign inspection system and for an appraisal of the total compliance of individual foreign plants with U. S. standards.

B. Current Situation

1. Slaughter Inspection Division

This Division's review activities are carried on by six veterinarians who visit the field and report to the Operations Branch of the Slaughter Inspection Division. These inspectors attempt to review all Federally-inspected plants in the United States to achieve uniformity of slaughter inspection and to disclose any and all noncompliance. The function is not concerned with correction. Recommendations are made, however, to the Regional Directors through Slaughter Inspection Division.

Guidelines have been developed for plant reviews in both narrative and check list forms and an annual report is prepared which purports to reflect the picture for the entire U. S.

Since the Division was formed in 1968, reviews have been scheduled on the basis of the following priorities:

1. Plants not previously reviewed -- the merger with poultry contributed a number of plants in this category;
2. Plants having a low score on previous reviews;
3. Routine reinspections on a region-by-region basis.

Under the present system, the review service estimates that all plants in the first two categories will have been covered by the end of calendar year 1970. A proposal has been submitted to the

Director of the Slaughter Inspection Division to provide for all reviewers to go to a single region at the same time, develop a total regional picture and then move on to another region.

2. Processed Food Inspection Division

This unit discharges its review functions through the services of a total of eight professionals, seven former food inspectors and one veterinarian. One man is assigned responsibility for the review activity in each of the eight regions. In contrast to the type of reviews carried out by Slaughter Inspection Division, this Division carries out so-called "processed control" reviews. These reviews are by individual product categories. For example, one of the currently active reviews is the so-called sausage review. An effort is made to study one or more plants in each circuit. A form 468 report plus a special item report relating to a particular category is prepared on each plant; a summary report prepared for each circuit; and finally an analysis made on a region-by-region basis.

This review function involves approximately 3100 processing plants nationwide.

3. Foreign Review Systems

The Foreign Review System has been dealt with in considerable detail in the position paper on imports. The essential points will be summarized here in order to complete this document.

This function is carried out in its entirety by the Foreign Program Group in the Facilities, Equipment and Foreign Programs Branch of the Technical Services Division. The group consists of 14 professionals supported by four or five clerks. Ten of the professionals are headquartered in Baltimore, Maryland.

Foreign Review Officers travel to foreign countries for periods of six weeks or longer during which reviews are made of plants on approved lists. The group is also responsible for the review of foreign inspection systems.

C. Discussion and Recommendations

The Task Force identified three different review functions in its study. The first of these is a continuing evaluation of the adequacy of standards, guidelines and procedures and is technical in nature. The second is an evaluation of the effectiveness with which the inspection program is being carried out. This is an inspector-general type function and is essential to provide the top Administrator with continuing intelligence regarding the total performance of the service under his direction. The third is a review of foreign government systems on a continuing basis to assure that their systems are such as to provide a reasonable likelihood that products offered for import into the United States will be produced under conditions comparable to those required of domestic producers.

The first and third of these review functions are, by their nature, field activities. The first can be carried out at the regional level with Washington coordination if adequate expertise is provided on the regional staff. The third, for obvious reasons, must be centrally administered. Because of its nature and the need for coordination with the import sampling activity, it is the view of the Task Force that this function should be reassigned to an organizational unit directly responsible for controlling field operations. The establishment in the office of the Deputy for Field Operations of an import desk responsible for all import activities would accomplish several things. It would provide unified direction for the import activity, provide coordination of regional import activities and elevate the foreign review function to an organizational level which would assure a better awareness of current agency policy.

The second of the three review functions identified above is clearly a headquarters function. Our review and evaluation has convinced us that there is a critical need for the top Administrator in meat and poultry inspection to have a set of "eyes and ears" in order that he may be constantly alert to emerging problems and developing weaknesses. A review and evaluation function designed to keep the top Administrator appraised of the program effectiveness of all phases of his operation is

recommended. This review function should be attached directly to the office of the top Administrator and should report to him. It is suggested that much of this responsibility could be adequately discharged by the existing staff of the Compliance and Evaluation Staff.

THE COMPLIANCE FUNCTION

A. Background

The compliance function as the term is used in meat and poultry inspection is concerned with the Department's efforts to detect and take action against the illicit movement of meat or poultry products in interstate commerce. From time to time in the past there have been national scandals resulting from the diversion of uninspected horse meat to human food channels, the diversion of meat from so-called 4D animals to human food channels, and other nefarious schemes for introducing products normally regarded as inedible into the Nation's meat food supply.

Both the Federal Meat Inspection Act and the Poultry Products Inspection Act contain strong prohibitions dealing with the shipment of uninspected meat or poultry products in interstate commerce and with activities which confer upon uninspected products the mantle of apparent inspection.

B. Present Situation

The compliance function as defined above is actually divided between the agency responsible for carrying out mandatory meat and poultry inspection and the Office of the Inspector General, U. S. Department of Agriculture. The inspection agency is primarily responsible for detecting

instances where violations are suspected. Thereafter the Office of the Inspector General assumes full responsibility for the criminal investigative work and the development of such cases as may ultimately be filed through appropriate United States Attorneys. That portion of the total responsibility which is discharged by the inspection agency is carried on by the Compliance and Evaluation Staff. The Staff consists of a headquarters group and eight field offices plus additional field personnel stationed around the country. The principal effort of this activity is directed toward prevention of violations or at worst early detections, rather than the identification of full-blown scandals.

The program is carried on through continuing surveillance of an active list of about 5,000 "subjects". These are firms or individuals known to have either the capability or the propensity or both for diverting inedible or otherwise illegal meat or poultry products into human food channels. This is an on-going program which must maintain continuity if it is to be successful.

C. Discussion and Recommendations

The compliance function is presently in a division which reports directly to the Deputy Administrator. This division is maintaining an on-going and, so far as the Task Force could determine, effective program to discharge its

rather unique responsibilities. There is a clear need for central control and coordination of this function. For these reasons the Task Force recommends that the present Compliance and Evaluation Staff remain essentially intact and continue to be organizationally placed so as to report directly to the top Administrator. The Task Force also recommends that the review functions currently being carried out in Slaughter Inspection Division and Processed Food Inspection Division be reassigned as responsibilities of this office.

It can be reasoned that the compliance function is primarily a field activity which should be under the immediate direction of a regional office with central control provided by the headquarters office which directs the field work. The Task Force recognizes considerable merit in this argument and gave serious consideration to a recommendation along these lines. During these deliberations the Task Force concluded that the consolidation of the review functions now carried out by Slaughter Inspection Division and Processed Food Inspection Division into an organization designed to supply the top manager with program effectiveness intelligence was more compelling. The disruption and loss of continuity which would result from carrying out both shifts at the same time weigh heavily against this step. It may very well be that once the new organization is functioning smoothly, serious consideration should be given to turning the compliance

function over to the field offices with strong central direction from the headquarters unit responsible for directing the field.

LABELS, STANDARDS AND PACKAGING

A. Background

Under the Federal Meat Inspection and Poultry Products Inspection Acts, the Department is responsible for assuring that products produced under its inspection are not adulterated or misbranded when shipped. In order to assure this, especially with respect to processed products, the Department requires approval of labels, formulas and packaging for all products produced under continuous inspection. Although some question has been raised about this function by some segments of industry, it seems clearly contemplated by the requirements imposed on the Department by the two Acts.

B. Existing Situation

The approval of formulas, labels and packaging is presently carried out by a sub-unit in the Division of Technical Services. The approval of formulas is essentially a standard-setting activity; and once a label and formula are approved, it is the responsibility of the inspection service to assure compliance with the standard established by the label. The responsibility for assuring adequate methodology for use by the field in assuring compliance in this area is presently vested in the Processed Food Inspection Division.

Standards may evolve via the label and formula approval route. In this process, there is a gradual development of broadly applicable standards by the Department; for example, breaded products are not approved formula- and label-wise if there is more than 30 percent breading material. Standards also evolve occasionally through the Federal rule-making process required by the Administrative Procedures Act. The Task Force was advised that there are presently published standards for 52 red meat products. Paragraph 81.134 of the "current" poultry regulations (7 CFR 81.134) sets forth "product specifications for labeling purposes." These consist, with respect to processed products, largely of minimum meat content specifications for approximately 20 items.

There are labels approved for approximately 7,000 red meat products. There are about 10 times as many processed meat labels as processed poultry labels if labels for cut up poultry are eliminated from the poultry total.

The Director of the Technical Services Division expressed the view that he prefers to establish standards via the informal label and formula approval route in preference to establishing formal standards through the rule-making procedures. He states that there are approximately 7,000 different "common or usual names" which amount to informal standards of this type. Each product produced under a given common or usual name may differ from every other product provided it meets certain minima, e.g.,

chicken ala king must contain not less than a certain amount of chicken; it may contain more without creating any legal problem.

The Technical Services Division reviews a total of approximately 100,000 labels annually; information as to formula, method of production, and a specimen of the container can be required along with the label if the Division desires. Obviously the vast majority of the labels are routine, simple modifications of standard labels. The poultry industry has urged that consideration be given to the development of prototype labels for use on iced poultry and other "simple" items such as chicken parts. It appears to the Task Force that this is a reasonable request if adequate safeguards are established to prevent more complex labeling problems from becoming involved.

C. Problem Areas

One of the most frequently voiced complaints the Task Force received from both the meat and poultry industries concerns industry's inability to get prompt action on label approvals or disapprovals and the virtual impossibility of getting new products approved. The label and formula approval group was accused of being so highly traditional as to have virtually precluded the development of new products in the meat field.

Current Departmental policy requires that all products be named only by their common or usual names, if any there be, and has the effect of prohibiting the use of fanciful names for the identification of products, even new products. This policy

spares the Department the chore of making difficult decisions regarding names which may be false and misleading within the meaning of Section 1(n)(1) of the Federal Meat Inspection Act or the counterpart provision of the Poultry Products Inspection Act. On the other hand, there is no statutory provision prohibiting fanciful names and in fact, Section 7(d) appears to clearly permit the Secretary to approve such when they are not false or misleading. In the opinion of the Task Force, it would not be inappropriate to give consideration to permitting the use of fanciful names in situations where there is no clearly established common or usual name or recognized standard and no likelihood that the consumer will be misled thereby.

Another frequent industry expression of concern relates to the failure of the Department to follow the Federal Administrative Procedures Act in the establishment of standards. Industry pointed out that there are many established standards (such as the 30 percent limitation on breadding referred to above) of which industry is unaware except by inadvertance. The view was expressed that when the Department is in the process of arriving at a specific standard, such as limitation on fat in hot dogs or on breadding in breaded products, industry should be permitted to participate in the deliberations that lead to the ultimate conclusions and further that, once a conclusion is reached, the Department should follow the procedures required by the Federal Administrative Procedures Act rather than proceeding in the present informal manner.

The Task Force was advised that there is a lack of effective coordination between Technical Services Division and Processed Food Inspection Division. This results in the acceptance of labels and manufacturing procedures by TSD for products or specific parameters for which it is impossible to develop effective control procedures. A specific example where the development of control methods was impossible was cited; a formulation was reportedly approved on the basis of a specified amount of meat in the product; however, the meat ingredient was not defined as to whether raw or cooked or both might be used.

It is evident to the Task Force on the basis of discussions with a number of staff members in each Division that the Processed Food Inspection Division strongly favors standards which can be enforced through objective examination of finished samples while Technical Services Division tends to favor standards based on put-in quantities established by approved formulas. It is obvious that many of the latter-type standards are enforceable only by having an inspector standing on the line at all times while the product is being prepared. It is the view of PFID that, for all practical purposes, standards of this kind are simply unenforceable.

In this connection, the task force was advised that there are a number of standards for processed poultry products which came to PFID with the merger which are unenforceable.

Members of the Division pointed to an urgent need for a complete revision of processed poultry products standards for this reason.

Members of PFID stated that their methods development activities are handicapped by isolation from the label and formula approval function and by the lack of direct access to laboratory facilities. The Task Force was strongly urged to recommend some combination of the label, formula and packaging approval functions with the methods development function.

D. Discussion and Recommendations

Evidence available to the Task Force clearly supports the validity of industry's complaint about inordinate delays on label and new product approvals. After careful study of the lines of communication and various responsibilities involved, we have the following recommendations:

1. Both Technical Services Division and Processed Food Inspection Division should be abolished and these functions, with certain others, placed together in a Division of Policy and Services. The details of the recommended organizational structure will constitute a major part of the Task Force report; they will not be repeated here.

It is pointless for the Department to require formula and label approval unless some means of assuring compliance with the approved formula exists. It is essential that there be close coordination between those responsible for supplying the field with adequate methodology and those who are approving labels

and formulas. Implementation of the Task Force recommendation to bring these two functions together in a single division should go a long way to accomplish this. The Task Force suggests, however, that in many instances the firm seeking approval of a specific formula and label should be required to develop and furnish to the Department an adequate control procedure.

2. Provision should be made for greater participation by industry in the standard and rule-making procedures. This is also discussed in the body of the Task Force report.

3. When standards are adopted which have industry-wide applicability (such as the 30 percent limitation on breeding), the procedures required by the Federal Administrative Procedures Act should be followed. If the Department persists in its present practice of establishing rules informally, not only in this area but in the area of plant procedures, equipment, etc., as well, it is fair to forecast that industry will eventually, under the Administrative Procedures Act, force the Department to process virtually every change through the cumbersome Federal rule-making procedure. The Task Force suggests that this unfortunate eventuality can perhaps largely be forestalled by adopting the recommendations set forth above.

4. The Department should develop prototype labels for such "simple" items as iced poultry, boneless beef, etc., which include only the so-called mandatory information and place these in the hands of the Regional Offices so that industry can obtain

prompt approval of minor changes which accord to the basic prototype. It should be noted that the Task Force is not recommending that the label approval function be decentralized.

5. Label review should be divided up so that routine label review such as is involved in most of the 100,000 actions can be put on a streamlined basis and the knotty problems sorted out for discussion with company or industry representatives and such technical expertise as is needed.

6. The labels, standards and packaging function involves a very significant overlap with the responsibilities of the Food and Drug Administration under the FD&C Act. The problems of food additives both direct and indirect and those of determining legality of individual labels under the acts administered by USDA and the FD&C Act require extremely close coordination between the two agencies. While the Task Force did not look extensively into this coordination, what we saw indicated that there are no serious problems. Although the Task Force does not have strong views on this point, it is suggested that consideration might be given to having one single liaison point in the newly established Division to control this liaison and to assure that coordination takes place at all times.

TRAINING

Consumer Protection has established basic training programs for both food inspectors and veterinarians. This training is largely program oriented and is required of new employees. Advanced courses have also been established for processed food training, cross-training, contract veterinarians and livestock slaughter inspectors.

During Fiscal 1969, a total of 1,737 individuals received training and in the first nine months of the 1970 fiscal year an additional 1,702 people were trained. Departmental training schools have given priority to the basic training of State inspectors and veterinarians because of the Congressional mandate to support State inspection systems. The above figures include 1,230 meat and poultry inspectors and 117 veterinarians trained for State inspection systems.

The Task Force heard no criticism from industry or the Consumer Protection staff of the basic training programs. Comments were also favorable on the advanced processing school program at Ohio State University. We have concluded that this part of the training program has been well handled.

In September 1969, Consumer Protection began to offer a course, Supervision 101, covering basic principles of supervision for first-line Consumer Protection Supervisors. We understand that a more advanced management course is being planned.

The Task Force is of the opinion that lack of training for supervisors has seriously handicapped the program. It has been the practice to promote plant veterinarians to subcircuit or circuit positions with no formal training and often very little on-the-job training. This has resulted at times in taking a good inspector out of the plant and giving him a new position which involves supervision over both meat and poultry slaughter and processing before he has been properly trained. In addition to the lack of program training, the OIC is often unfamiliar with the administrative and management requirements of the position. We believe that the OIC, through no fault of his own, is often the weakest link in the inspection chain.

To provide stronger supervision at the OIC level, we strongly recommend that the Agency initiate a training program for officers in charge of circuits. Only promising veterinarians and food inspectors who have agreed to accept assignments anywhere in the country should be trained. We view this advanced training as a prerequisite to any OIC assignment.

We would also suggest that upon completion of training for supervisory positions, staff be given a minimum of three to six months on-the-job training with an experienced circuit supervisor. At the end of the on-the-job training, an evaluation should be made of the man's qualifications and ability to perform effectively in a supervisory or management role. It will take a

number of years for Consumer Protection to realize the full benefits of such a training program but results will begin to appear almost immediately.

For several years the training headquarters has been located in Denton, Texas. Although it has functioned quite well, the location requires much travel which is costly and time consuming for the staff. The location also separates the training headquarters staff from the Washington staff which is responsible for the development of policies and procedures. It has been pointed out that it is easier to recruit quality staff for positions in Denton, Texas, than Washington, D.C. Nevertheless, it appears the training program could be managed more efficiently and economically from Washington.

FEDERAL-STATE RELATIONS

The Task Force has not explored the development, organization, or operation of any of the State inspection systems which may lead to certification of State systems as "equal to" the Federal system. Our only concern has been with the responsibilities of the Secretary under the Wholesome Meat and Poultry Acts and the impact of these responsibilities on the execution of the Federal inspection program.

At the present time only three States have been certified as having programs "equal to" Federal inspection. However, by December 1970, it is expected that other States will have met the requirements for certification of their meat and poultry inspection systems and plants as "equal to" the Federal system. At least 15 States have made no attempt to set up poultry inspection programs and the Federal Government has now taken over inspection of poultry in those States.

Regardless of whether the State systems are declared "equal to" and operate more or less independently, there must be a close relationship between Federal and State inspection systems. We are advised that it is expected that each State will continue to have a FESCO assigned to the regional office unless the State has a special agreement such as the Wisconsin or Nebraska Plans.

The Secretary has responsibility for annual review of State systems which will require use of Federal inspection personnel and close liaison between Federal and State systems. We understand that some of the plant reviews have been made by the FESCO's. Because of the inherent conflict of using a FESCO who is assigned as a State advisor, we recommend that reviews be made by OIC's or other regional office staff.

During the 1969 and 1970 calendar years, Consumer Protection training schools have given priority to training of personnel for State systems. To date, 1,230 meat and poultry inspectors and 117 veterinarians have been trained.

It is expected that there will be full cooperation between the Federal and State systems and that planned cross-utilization of personnel will be possible.

IMPORTS

A. Background

It is clearly national policy to permit the importation of meat and poultry products into the United States from foreign countries. This is contemplated by both Section 20 of the Federal Meat Inspection Act and Section 17 of the Poultry Products Inspection Act. It is also clearly national policy that such importations be kept under very close control. This is especially evident from Section 20(c) of the Federal Meat Inspection Act wherein the Congress requires of the Department of Agriculture detailed reporting with respect to meat imports. It appears that the preoccupation with meat protection with respect to poultry products is not nearly so great since Section 17 of the Poultry Products Inspection Act provides the Secretary with much more latitude in discharging his responsibilities.

In general, in both areas, it may be said that the national policy is to attempt to require imported products to meet all the standards currently required of domestic products.

B. Current Situation

There are two programs in the Department aimed at carrying out the national policies set forth above. Since these

two programs are administered largely independently of each other, they will be discussed separately.

I. Import Sampling

This program is intended to provide a sampling screen at the point of importation adequate to protect the American consumer from unwholesome, adulterated or otherwise illegal meat and meat food products. The sampling operations at any specific port are carried out under the immediate supervision of an officer in charge in whose circuit the port facility is located. The actual sampling and field examination is done in part by food inspectors who are engaged primarily in import sampling activities and in part by other inspectors who are borrowed from plants in the OIC's circuit to meet the demands imposed by the import workload. Regional direction for the sampling program is provided by the Deputy Regional Director for Processing. Washington direction, including structuring of the program and critique, is provided by Processed Food Inspection Division.

A section of the meat inspection manual is devoted to instructions dealing with imports. Examination of manual sections in actual use by inspectors engaged in import sampling revealed that manual instructions are supplemented by interpretations received from all levels above the operating inspector. There are no specific instructions outstanding dealing with poultry or poultry products imports.

The Task Force has been advised that various attempts are underway to improve the standardization and uniformity of sampling and examination instructions covering imports for both meat and poultry. It is the view of the Task Force that this is a significant effort in the right direction which should not be permitted to lag.

II. The Foreign Review Program

This program consists of a continuing review and evaluation of the meat and poultry inspection systems of some 40-odd foreign countries and annual visits to approximately 1,200 plants in these countries. The review of the foreign systems is intended to determine whether there are adequate laws, adequate staffing, adequate administrative support, etc., to assure an effective program. The primary purpose of the plant reviews is to determine whether the system in the particular country is operating effectively. Plants found in unsatisfactory condition are removed from the approved list either by the country in which they are operating (this happens in the majority of cases) or, if necessary, by U. S. officials.

The work of the Foreign Review Program is carried on by 14 veterinarians who travel from the United States and who are stationed in Baltimore or Washington, D.C. Headquarters administration of the program is in a small sub-unit of the Technical Services Division. One of the major workloads facing

the unit is the preparation of the reports required by Section 20(e) of the Meat Inspection Act.

In reviewing foreign plants an effort is made to apply the same standards with respect to construction, sanitation, etc., as are required of domestic plants. However, in situations where no hazard to health is involved, it has been necessary to allow some time latitude for corrections to be implemented.

C. Discussion and Recommendations

Organizationally the foreign review function and the import sampling activities are quite remote from each other. Exchange of information has recently been improved through the furnishing to the foreign review group of computer printouts reflecting detailed import rejection activity. The Task Force is under the impression, however, that the exchange of information between the two activities could be much improved. This would enable a better correlation between the import sampling activities and the foreign review function.

Both the foreign review function and the import sampling activities are basically field operations rather than headquarters activities. They appear logically to belong together in order to improve coordination between them. They constitute a definite part of the field workload. For these reasons, the Task Force recommends the establishment of a desk responsible

for the control and coordination of all of the import programs in the office directly responsible for the management of the field inspection programs.

Much of the time of the foreign review staff is spent in travel; furthermore, prolonged overseas trips do not enhance the morale of the staff. Others have recommended that overseas assignments of two- or three-year duration be developed for Foreign Review Officers. The Task Force did not have an opportunity to study this recommendation in detail; however, based on our observations, there appear to be a number of significant advantages to be gained by the adoption of such a system.

POSITION PAPER - GRADING SERVICES

A. Background

The grading of both meat and poultry is a marketing service. As such, it has over the years, been maintained as a function of the various constituents units of USDA having primary responsibility for marketing services.

In the case of meat and meat products, the grading function has never been in the same organizational unit as the inspection responsibility. In the case of poultry and poultry products, inspection and grading were both functions of what is now the Poultry Division in the Marketing Services of C&MS or of predecessor organizational units of that Service. When poultry inspection and grading were both carried on in the same organizational unit, it was not uncommon for poultry graders to assist with inspection operations. The inspection and grading functions were separated when poultry inspection was merged with meat inspection into the Consumer Protection Programs.

B. Current Situation

Meat grading is the responsibility of the Livestock Division of the Marketing Services while poultry grading is the responsibility of the Poultry Division in C&MS. Both meat and poultry inspection are the responsibility of the Consumer Protection Programs within C&MS.

Both Marketing Services and the Consumer Protection Program maintain field staffs to carry out these functions. Meat and poultry graders operate in the same plants as their regulatory inspection counterparts. Under the existing setup, none of the responsibilities of one is carried out by the other.

C. Discussion and Recommendations

Recommendations were received by the Task Force from some members of the poultry industry that the poultry grading service should be recombined with the inspection service. It was argued that more efficient operations and reduced overtime costs would accrue as benefits. No similar specific suggestion was received from the meat industry; however, it would appear that the same arguments are applicable.

It is the position of the Task Force that grading services are marketing services and as such are not consumer protection oriented. The user fee feature emphasizes this distinction. Mr. Russell E. Train, Chairman of the Council on Environmental Quality, in recent testimony before the House Executive and Legislative Reorganization Subcommittee in support of the establishment of the Environmental Protection Agency, stated, "The public is increasingly questioning the vesting of promotional and regulatory powers in the same agency." The same distinction clearly applies to grading and mandatory inspection responsibilities in the opinion of the Task Force.

Accordingly, it is our recommendation that no serious consideration be given to any combination of grading services with mandatory inspection for consumer protection. We reached this conclusion only after full consideration of the potential advantages of such action. It is the position of the Task Force that the inherent conflict of interest involved is of such significance as to completely outweigh any other considerations.

LABOR-MANAGEMENT RELATIONS

Basic to any efficient operation is a good labor-management relationship. The Department of Agriculture signed the first exclusive agreement with the AFGE and thus pioneered the recognition of Government employees' right to join a union and to be represented by a union.

The collective bargaining agreement between C&MS and AFGE recognizes and spells out in considerable detail the rights of management to:

- a. Direct employees of the Agency.
- b. Hire, promote, transfer, demote, discipline and discharge employees.
- c. Maintain efficiency of the Government operation.
- d. Remove employees for lack of work or other legitimate reasons.
- e. Determine the method, means and personnel by which such operations are to be conducted.
- f. Take action to deal with emergency situations.

This agreement also establishes the right of the union to represent all employees in the representation unit in appropriate consultation, negotiations and other contacts with C&MS regarding personnel policies and practices and working conditions within the authority of C&MS.

The employee is given the right to join or refrain from joining the union, to participate in union activities, including presentation of its views to appropriate authorities without fear of penalty or reprisal.

From the above excerpts from the collective bargaining agreement, it would appear that a satisfactory relationship exists between labor and management. However, there are personnel problems which need attention if the morale of the Consumer Protection Programs is to be improved. Since there are two well-defined groups of employees in Consumer Protection, the Task Force met with each group, listened to their views and tried to evaluate their positions.

Veterinarians are required to be in charge of slaughter operations and to make decisions regarding final disposition of carcasses as to wholesomeness or acceptability for human consumption. Traditionally, veterinarians have been given responsibility for management of the inspection program. Food inspectors have generally been in charge of food processing operations and have answered administratively to an officer in charge of a circuit or subcircuit. This officer may or may not be a veterinarian.

Most of the administrative positions except in processing are held by veterinarians. Most of the processing positions are held by former food inspectors who have been given additional training to qualify them for more responsible

positions. Thus, the program has a very inbred staff. The veterinarians have tried to place veterinarians in as many of the supervisory and administrative positions as possible and the food inspectors have tried in every way possible to open supervisory and administrative positions to their group. What is desperately needed is a recognition that the program needs experience and expertise in a number of disciplines and that positions should be open to the best qualified candidate. We think that the Administrator should announce as policy that henceforth any positions not requiring the services of a person trained in animal diseases will be open to the best qualified applicant. It is believed that such a policy could eliminate one of the continuing causes of friction between the two groups. It would also be useful to identify positions in the veterinary category.

Although the collective bargaining agreement reserves to management of the right to discipline, demote, suspend or discharge employees, this right appears to be exercised too far from the actual employment scene. The Task Force is recommending an organization based on strong and responsible administration at the Regional Office level. Therefore, it is suggested that the Administrator delegate to the Regional Director the authority to employ, assign and, if necessary, discipline or discharge employees up through grade GS-13. Only the responsibility for job classification should be reserved to the headquarters personnel office.

The Task Force met with officers of the National Association for Federal Veterinarians who furnished information concerning a proposed veterinary career ladder. This career ladder proposal contains a number of the same kind of recommendations as the Task Force is making in other parts of its report.

FIRST - We agree that it is essential that there be a careful evaluation of new veterinary trainees at the end of one year to determine whether they should be retained in the program.

SECOND - We strongly agree that there should be a career development program covering identification of candidates, training in supervision, management and administration. This formal training coupled with on-the-job training and improved selection should provide stronger supervision and more effective utilization of veterinary personnel.

THIRD - The training experience should take place early in the career of the veterinarians before promotion to a circuit position.

FOURTH - We believe there is great need for both GS-13 and GS-14 positions at the circuit office level, if a way can be found within the Civil Service classification structure. Elsewhere in this report, we have suggested that we would prefer to see sub-circuits eliminated and the position of assistant OIC in the circuit established. Presumably these could be GS-13 positions.

In supporting the veterinary career ladder, the Task Force does caution that only positions which require the skills of a person trained in animal diseases should be reserved exclusively for a veterinarian.

The President of the Joint Council of Food Inspection Locals advised that food inspectors also feel a great need for a career ladder. We believe there is considerable merit in developing training programs which will qualify food inspectors for better positions in processing. However, we would caution that food processing positions should not be reserved solely for individuals who have started their careers on the slaughter floor. The Consumer Protection Programs, in our opinion, has need for trained food technologists and other disciplines where education and experience should be given prime consideration.

Another area which warrants more consideration than it appears to have received is the wall between the meat and poultry staffs. An effort should be made to insure a better balance between poultry and meat in the filling of administrative and staff positions. Elsewhere in our report we are recommending that staff with poultry and staff with meat expertise be assigned at both the Washington and Regional levels to improve the service. We hope that in a few years the feeling of the poultry industry and staff that they have been submerged by red meat will disappear.

The Task Force encountered numerous criticisms of the personnel office of the Department and of C&MS. Generally, the

criticisms related:

1. To the lack of authority in the field to hire, assign, promote, discipline or remove staff.
2. To inflexible application of classification standards.
3. To the employee rating forms, FICAP and VETCAP.
4. To veto power exercised over assignment of personnel.
5. To a general lack of support by Personnel Division for program needs at the Regional Office level.
6. To biased handling of complaints against veterinarians and a pro-union attitude.

The Task Force has recommended strengthening and giving greater responsibility to the Regional Offices. We believe that it is essential that the Regional Directors have authority to handle most personnel problems and have so recommended elsewhere in our report.

The FICAP and VETCAP reports were criticised by everyone who has to use the forms. We would recommend that the Personnel Division study these forms with a view to simplification or elimination.

We are of the opinion that Personnel Division has not received credit for the many times it has tried to help program people with their problems. Further we think it is unfortunate that the opinion is so widespread in the program that the Personnel Division is unsympathic to program goals of the Consumer Protection Programs and suggest that more effort be made to resolve problems and where necessary change C&MS personnel policies.

A great deal of time and effort was expended in developing a so-called 9-12 concept which provided for one GS-12 veterinarian to supervise three GS-9 food inspectors who would replace three GS-11 veterinarians. This 9-12 concept would have resulted in:

1. One new GS-12 position for a veterinarian.
2. Three GS-9 positions for food inspectors.
3. Release of three GS-11 veterinarians for other more productive assignments.

Implementation of this program which seemed to have much merit was suspended when an impasse developed over whether the GS-12 would have to supervise three or four GS-9's and whether they could be in one plant or would have to be in more than one plant.

We think the program needs better utilization of its manpower and that the 9-12 concept should be fully implemented or at least tried. During the trial period, the Personnel Division should use its best efforts to meet present Consumer Protection objections.

Another serious management problem has been created by a few local inspectors who harass and file complaints through high union officials with the Department's Personnel Office. Just as grievances should be settled at the local level, so should complaints against plant veterinarians or circuit supervisors be filed with the Regional Director who under our recommendation would have the authority to take appropriate disciplinary action when warranted.

We have already made reference to the fact that the inspection service is manned and managed by food inspectors and veterinarians who see each other as competitors for higher positions and who have experienced normal differences between management and labor. At the present time the employee-management cooperation specialists in C&MS and Consumer Protection are former food inspectors with union backgrounds. As such they are suspect in the eyes of the veterinarians. We suggest that consideration be given to employment of a labor-management expert from outside the program to represent management and work with union officials and the program staff to improve relations between the two groups.

OVERTIME

A. Background

This is perhaps the most complex problem facing the meat and poultry inspection service. Even in the simplest case of a single inspector plant operating on an eight-hour shift, overtime is involved since it is necessary for the inspector to be in the plant for the pre-operational cleanup and to remain after the plant closes to complete his records covering the day's operation.

The overtime problem, however, really developed significant proportions during World War II when the pressure was on for round-the-clock operations with limited labor to supply war-time needs and the excess profits tax structure was such that industry couldn't have cared less about the cost.

Section 9 of the Federal Meat Inspection Act requires the Secretary to cause examination and inspection in establishments operating during the nighttime as well as during the daytime. There is no specific provision in the Act dealing with overtime compensation; however, 7 USC 394 clearly applies to meat inspection and it has been ruled by the Comptroller General that this provision (see also 21 USC 98) constitutes a mandate to the Secretary to recover overtime costs from the industry. There is also much legislative history dealing with this subject

in connection with appropriations and other enactments indicating concurring Congressional intent. It is interesting to note that Section 25 of the Poultry Products Inspection Act specifically provides that the cost of overtime and holiday work performed by the inspection service shall be reimbursed by industry. This Act, however, does not contain any definition of "overtime."

Industry, especially the meat industry, has expressed serious concern to the Task Force regarding the overtime problem. In summary these concerns are as follows:

In the first place, the bill is high -- the meat industry paid \$14 million last year for overtime and the poultry industry somewhat in excess of \$6 million. These figures are in reasonable agreement with the salary figures for overtime reported by the Consumer Protection Programs, Technical Services Division, as approximately \$21 million. Industry is concerned that there may be abuses by individual inspectors and other excessive overtime charges. However, there are grave fears, particularly in the meat industry, that any complaints on the part of industry will lead to retaliation by inspectors whose pay will be reduced if overtime is reduced. Industry is concerned about the arbitrary way in which overtime is accrued; e.g., a plant operating three shifts incurs eight hours overtime for the third shift because its inspection personnel are assigned on two 12-hour duty shifts. The situation is clearly one where the policed are paying the policeman; a

situation which is contrary to the professed policy of the Department, the professed policy of Congress and the strongly professed views of the meat packing unions. Because of various statutory provisions and other expressions of policy by Congress, the Department is saddled with the overtime problem. While it is true that some difficulties have arisen, resulting largely from weaknesses in first-line supervision, the Department has generally done an effective job in controlling this total situation. The problem has been intensified by severe personnel ceilings which have restricted the Department's freedom to fully staff the inspection service. The following discussions are presented with recognition that the Department may well have no remedy short of seeking Congressional relief from the current difficult situation.

B. Current Problem Areas

1. Adequate staffing at the lower echelon supervisory levels is being seriously impeded by the overtime situation. Specifically a so-called blue collar GS-12 is forced to take a \$3,000 to \$5,000 a year cut in pay if he accepts a supervisory or so-called white collar GS-12 position. Even the compensation for a GS-13 OIC is often not regarded by the blue collar 12 as an adequate substitute for his overtime pay. The result of this has been that it has been very difficult to select and appoint the best qualified men to supervisory GS-12 and GS-13 positions. It has been equally impossible to achieve adequate mobility at these grade levels.

2. The problems of rotation involve the overtime problem. Some plants, particularly in the poultry industry, operate large amounts of overtime while others do not. Teams of inspectors assign to plants in the former category take home substantially more pay than teams of inspectors assigned to plants in the latter category. Therefore, rotation offers an opportunity to "spread the wealth."

3. The overtime situation involves serious safety considerations. The Task Force interviewed people who are keeping records of the accident rate of inspectors called upon to operate in excess of eight hours. While we did not examine the data, we were assured that there is ample evidence to support the position that there is a significant increase in the accident rate as the work period extends beyond eight hours. There is also obviously reason to believe that the inspector's effectiveness on high-speed operations, such as a poultry slaughter line, is impaired if he works too long.

4. There are inconsistencies in present methods of computing work hours and overtime between poultry and meat operations. The Task Force did not study this operational aspect in detail; however, concern was expressed by several groups on this score. In the interest of equity from both industry and employee standpoints, it would appear reasonable to apply like rules in all plants.

D. Discussions and Recommendations

The Task Force discussed the overtime problem at all levels in the Agency and, as indicated above, with a number of industry representatives. Concern was expressed about the problem from the lowest lay inspector level to the top people in the service.

Lay inspectors expressed concern over equal distribution of overtime pay and over the effectiveness of performance and the safety aspects.

First-line supervisors expressed concern over the distribution of overtime among themselves (inspectors in charge of plants) and over their inability to control overtime charges by lay inspectors under their supervision. In this connection it was brought out that there is, in a practical sense, no disciplinary recourse available even up to and including the Regional Office level with respect to personnel problems involving lay inspectors.

The white collar GS-12 level and the OIC level expressed concern because overtime is providing greater pay for those they supervise than they themselves are able to take home and also over their inability to exercise what they believe to be adequate control over overtime practices.

The Regional Office level expressed concern over their inability to select and appoint the most effective people for circuit and subcircuit supervisory positions, over abuses

that they fear may occur, over the safety and adequacy of performance aspects and over the rotation problem.

Administrative officials above the regional level are cognizant of all these problems and in addition, expressed concern over the implications of overtime to the program.

It is the considered view of the Task Force that there is only one long-term solution possible. As a matter of national policy, a decision must be reached that continuous meat and poultry inspection is worth to the public what it will cost to finance it out of public funds. Once this decision is made any contribution by the regulated industry to the regulatory agency should be immediately discontinued. Restrictions should be set up so that unreasonable demands by industry can be denied. On the other hand, when a plant is operating 24 hours a day, it seems not unreasonable to provide three shifts of Federal inspection. Present policy prohibits this. Since implementation of this recommendation would require Congressional action, both in the form of legislative amendment and in the form of a reorientation of the attitude of one or both of the Appropriation Committees, the Task Force offers the following alternatives for consideration by top management:

1. Each OIC and subcircuit supervisor should be instructed that one of his significant duties is to maintain control and accounting with respect to overtime claimed by every man under his direct or indirect supervision. It is recognized that this will add to the current paper workload

at this supervisory level; however, we would like to point out that a comparison of slaughter or other production records with overtime charges in the plants within a circuit would be an easily automatable operation. It is our understanding that some of the data are already going into the central computer system; the additional data could be added and the OIC's provided with weekly or monthly printouts and comparative evaluations which would enable this kind of control.

2. The Regional Offices should be provided with personnel management tools sufficient to enable appropriate disciplinary action to bring about corrections if indicated.

3. Every effort should be made to obtain sufficient additional personnel to reduce overtime to the extent possible within existing constraints. In this manner it might be possible to eliminate overtime as a "way of life."

4. An employee relations campaign should be launched at a proper time to establish that \$3,000 or \$4,000 a year overtime is not considered a normal part of a meat or poultry inspector's salary.

5. Industry should be encouraged to work with the service to reduce overtime.

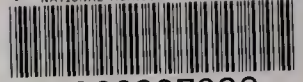
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